



Health Care Reform: Updates and CalFresh Impacts

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Presentation Overview

- Health Care Reform Refresher
- Proposals in Governor's Budget
- Role of County Human Services
- Horizontal Integration
- CalHEERS Interface Delay *CalHEERS = STATE*
- Next Steps *SAWS = County*

Health Care Reform Refresher

- **Affordable Care Act passed in 2010**
 - Various market reforms effective already
 - Coverage expansions effective Jan 1, 2014
- **Medicaid Expansion up to 138% FPL**
 - Childless, non-disabled, non-elderly adults
 - Parents and children also affected by new rules
 - Simplifications in program (no asset test, etc.)
- **Exchange-based coverage**
 - For those 138% - 400% FPL
 - Similar to private market style insurance products
 - Subsidies in the form of tax credits to qualified enrollees

Health Care Reform Refresher

- **Based on MAGI: "Modified Adjusted Gross Income"**
 - Adjusted Gross Income as determined under federal tax rules
 - Plus foreign income or tax-exempt interest a taxpayer receives
- **MAGI household based on tax filing status**
 - Will change how households are structured
 - Households will likely be smaller than under today's rules
 - Will be calculated differently than CalFresh, CalWORKs
- **Existing enrollees will convert at renewal**
 - Until then, stay in same coverage program
 - Process for renewals in development (should be simpler)
- **Some will still be eligible under old rules**



Health Care Reform Refresher

- Department of Health Care Services
 - Continues to be state agency for Medi-Cal
- Covered California
 - New name for Exchange, created in 2010
 - Five member appointed board
 - Separate staff, director from DHCS



Expansion Projections

- Medi-Cal New Eligibles
 - More than 1.4m newly eligible in 2014
 - By 2019, 750k-910k enrolled at any point
- Medi-Cal Existing Eligibles
 - About 2.5m eligible today but not enrolled
 - By 2019, 240k-510k enrolled at any point
- Exchange Cases
 - Estimated 900k-1.2m subsidized in 2014
 - Estimated 253k-255k unsubsidized in 2014

Source: UCLA Center for Health Policy Research and UC Berkeley Labor Center



Proposals in Governor's Budget

- “Mandatory” expansion
 - Includes required simplifications
- “Optional” expansion
 - Childless, non-disabled, non-elderly adults
- Bridge program
 - For those in between 138% and 200% FPL who are transitioning out of Medi-Cal



Mandatory Expansions

- Budget mentions three items:
 - Determining eligibility based on Modified Adjusted Gross Income (MAGI)
 - Asset test elimination
 - Ex parte renewal process
- Budget includes \$700m total funds
 - Stated to be a placeholder
 - Intent is to work over next few months to firm up

Optional Expansion

- The Supreme Court rendered this piece optional in its decision handed down in 2012
- Would cover a significant portion of the counties' current medically indigent
- Adults who do not qualify on the basis of age or disability and have no child linkage
- Up to 138% of federal poverty level

Two Options for Expansion

- State option
 - State responsible for expansion, build onto Medi-Cal
 - Standardized, statewide benefit package (no LTC)
 - State would seek county Realignment funds
- County option
 - Counties responsible for expansion, build onto LIHP
 - Standardized, statewide minimum benefits
 - Counties could add benefits (except LTC)
 - Assumes counties would use Realignment funds
 - Requires waiver approval from federal government
- County human services does eligibility under either expansion option



Assessing the Options

- CSAC taking lead for counties
 - Affiliates (including CWDA) participating
 - Discussions with Administration, Legislature
- Numerous dimensions to assess
 - Counties as providers of service
 - Political issues
 - Fiscal issues
 - Risks under either option
- Sentiment leans toward state option



Role of County Human Services

- Provide “no wrong door” coverage for those who come to county pathways
 - In-person, online, by phone, by mail
 - Including Exchange-based coverage
- Existing online portals will continue
 - Do not want to lose functionality for existing Medi-Cal, CalFresh and CalWORKs programs
- All non-MAGI Medi-Cal eligibility
- All case management for Medi-Cal
- Horizontal Integration

Horizontal Integration

- Important because
 - Large percent of CalFresh enrollees not on Medi-Cal will be eligible for new expansion
 - Large percent of newly eligible Medi-Cal recipients will be eligible for CalFresh too
 - Federal law requires it (though vague)
- States have not received direction yet
 - Most states very focused on health
 - HI seen as a later focus for them

Horizontal Integration in CA

- Counties seen as the path for HI in CA
- Will receive referrals from Exchange when someone appears potentially eligible
- Not yet clear:
 - What questions will be asked and when to identify potential CalFresh/CalWORKs
 - How consent will be granted
 - How referral will be made
- Affected by CalHEERS interface delay



CalHEERS Interface Delay

- CalHEERS is the new computer system
 - Being jointly built by DHCS, Exchange
 - Will contain MAGI Medi-Cal and Exchange subsidy business rules, Exchange case mgt
 - Will be interfaced to counties' systems
- Interface originally slated for Oct 1, 2013
 - Now delayed until Jan 1, 2014
 - Customer service will be negatively impacted
 - Costs of workarounds, duplicate data entry
 - Particularly affects horizontal integration



CalHEERS Delay Workarounds

- State and Exchange working with counties and workers to develop business flows
 - Seeking most efficient, most customer-friendly way to provide comprehensive service
 - Developing estimates of cost to train workers on two computer systems
- Counties have asked that delay only last until December 1, not January 1
 - Very chaotic to start interface same date as all other new changes go into effect
 - Waiting for response from project sponsors



Next Steps

- Legislature, Administration negotiations on key aspects of eligibility legislation
 - ABXI 1 and SBXI 1 – special session bills
- Negotiations over budget proposal for expansion (state vs county option)
- Nail down details on all business flows
 - Waiting for federal guidance on some pieces
 - Includes how horizontal integration will work



Questions?

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